

IMCC Workshop

**Perspectives on Financial Assurance/
Bonding Regulatory Framework Panel**

St. Louis, MO – August 21, 2013

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FCX
LISTED
NYSE



Cautionary Statement Regarding Forward-Looking Statements

This presentation contains forward-looking statements in which FCX discusses its potential future performance. Forward-looking statements are all statements other than statements of historical facts, such as projections or expectations relating to ore grades and milling rates, production and sales volumes, unit net cash costs, operating cash flows, capital expenditures, exploration efforts and results, development and production activities and costs, liquidity, tax rates, the impact of copper, gold, molybdenum, cobalt, oil and gas price changes, the impact of derivative positions, the impact of deferred intercompany profits on earnings, reserve estimates, future dividend payments and potential share purchases, and estimated EBITDA. The words "anticipates," "may," "can," "plans," "believes," "estimates," "expects," "projects," "intends," "likely," "will," "should," "to be," and any similar expressions are intended to identify those assertions as forward-looking statements. The declaration of dividends is at the discretion of FCX's Board and will depend on FCX's financial results, cash requirements, future prospects, and other factors deemed relevant by the Board.

FCX cautions readers that forward-looking statements are not guarantees of future performance and its actual results may differ materially from those anticipated, projected or assumed in the forward-looking statements. Important factors that can cause FCX's actual results to differ materially from those anticipated in the forward-looking statements include demand for and prices of copper, gold, molybdenum, cobalt, oil and gas, mine sequencing, production rates, drilling results, the outcome of ongoing discussions with the Indonesian government, the potential effects of violence in Indonesia, the resolution of administrative disputes in the Democratic Republic of Congo, labor relations, the ability to retain current or future lease acreage rights, unanticipated hazards for which we have limited or no insurance coverage, failure of third party partners to fulfill their capital and other commitments, adverse conditions that could lead to structural or mechanical failures or increased costs, changes in reserve estimates, currency translation risks, risks associated with the integration of recently acquired oil and gas operations, industry risks, regulatory changes, political risks, weather- and climate-related risks, environmental risks, litigation results, and other factors described in more detail under the heading "Risk Factors" in FCX's Annual Report on Form 10-K for the year ended December 31, 2012, filed with the U.S. Securities and Exchange Commission (SEC) as updated by FCX's subsequent filings with the SEC.

Investors are cautioned that many of the assumptions on which FCX's forward-looking statements are based are likely to change after its forward-looking statements are made, including for example commodity prices, which FCX cannot control, and production volumes and costs, some aspects of which FCX may or may not be able to control. Further, FCX may make changes to its business plans that could or will affect its results. FCX cautions investors that it does not intend to update forward-looking statements more frequently than quarterly notwithstanding any changes in FCX's assumptions, changes in business plans, actual experience or other changes, and FCX undertakes no obligation to update any forward-looking statements.

This presentation also contains certain financial measures such as unit net cash costs per pound of copper and per pound of molybdenum, oil and gas realized revenues, oil and gas revenues before derivatives and cash production costs per barrel of oil equivalent (BOE). As required by SEC Regulation G, reconciliations of these measures to amounts reported in FCX's consolidated financial statements are in the supplemental schedules of this presentation which are also available on FCX's website, "www.fcx.com."

Overview of Presentation

- Background on Freeport-McMoRan Copper & Gold Inc. (FCX)
- FCX Environmental Financial Disclosures, Financial Assurance & Environmental Reserves
- CERCLA § 108(b)
- Improving Financial Assurance

FCX's Global Footprint

Major Operations & Development Projects

All major mining assets majority-controlled and operated

North America ¹	
Reserves	
Cu	38.8 bn lbs
Mo	2.7 bn lbs
Oil & Gas	688 MMBOE ²
Sales	
Cu	1.45 bn lbs
Mo	92 mm lbs ³
Oil & Gas	172 MBOE/d

■	Copper
■	Copper/Gold/Silver
■	Molybdenum
■	Cobalt
■	Oil/Natural Gas

Grasberg (90.64%)	
Reserves	
Cu	31.0 bn lbs
Au	30.9 mm ozs
Sales	
Cu	1.1 bn lbs
Au	1.25 mm ozs

South America ⁴	
Reserves	
Cu	38.8 bn lbs
Au	1.2 mm ozs
Mo	0.7 bn lbs
Sales	
Cu	1.34 bn lbs
Au	0.1 mm ozs

Tenke (56.0%)	
Reserves	
Cu	7.9 bn lbs
Co	0.8 bn lbs
Sales	
Cu	435 mm lbs
Co	28 mm lbs

Note: FCX consolidated reserves and annual sales; reserves as of December 31, 2012. Sales figures are based on 2013e. FCX is currently reviewing impacts of disruptions at Grasberg resulting from May 2013 suspension of operations; updates to be provided as information becomes available.

¹ Cu operations: Morenci (85%), Sierrita (100%), Bagdad (100%), Tyrone (100%), Safford (100%), Miami (100%) and Chino (100%); Primary Mo: Henderson (100%) and Climax (100%);

Oil & Gas operations: onshore/offshore CA, Madden, Eagle Ford, Haynesville, GOM shelf & Deepwater

² 2P Reserves including Proved of 475 MMBOE and Probable of 213 MMBOE; Reserves are as of 12/31/12, pro forma for MMR 1Q13 divestitures

³ Includes moly sales from South America

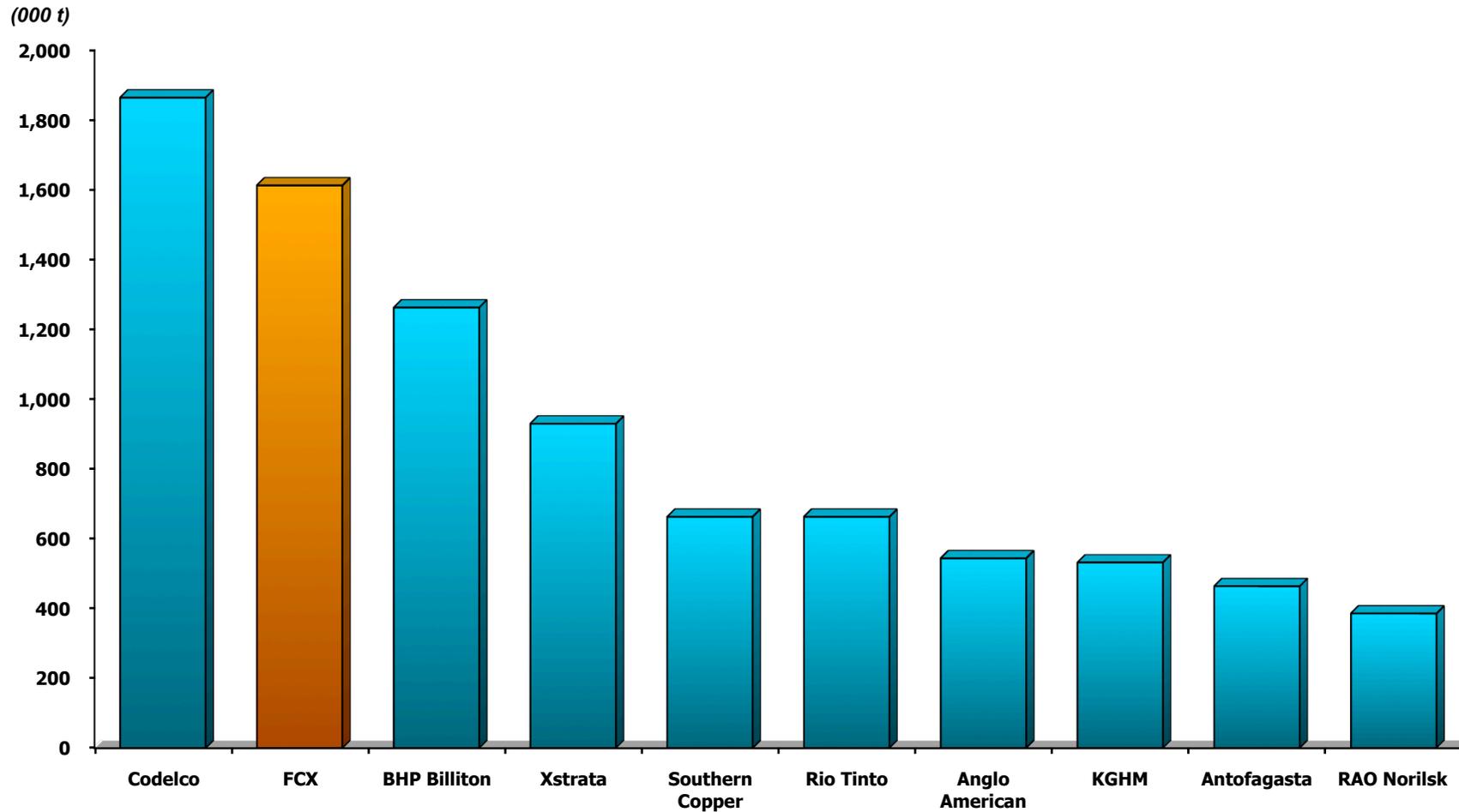
⁴ Cu operations: Candelaria/Ojos del Salado (80%), Cerro Verde (53.6%) and El Abra (51%)

e = estimate. See Cautionary Statement.

World's Leading Copper Producers



Top 10 Copper Producers (2013e)

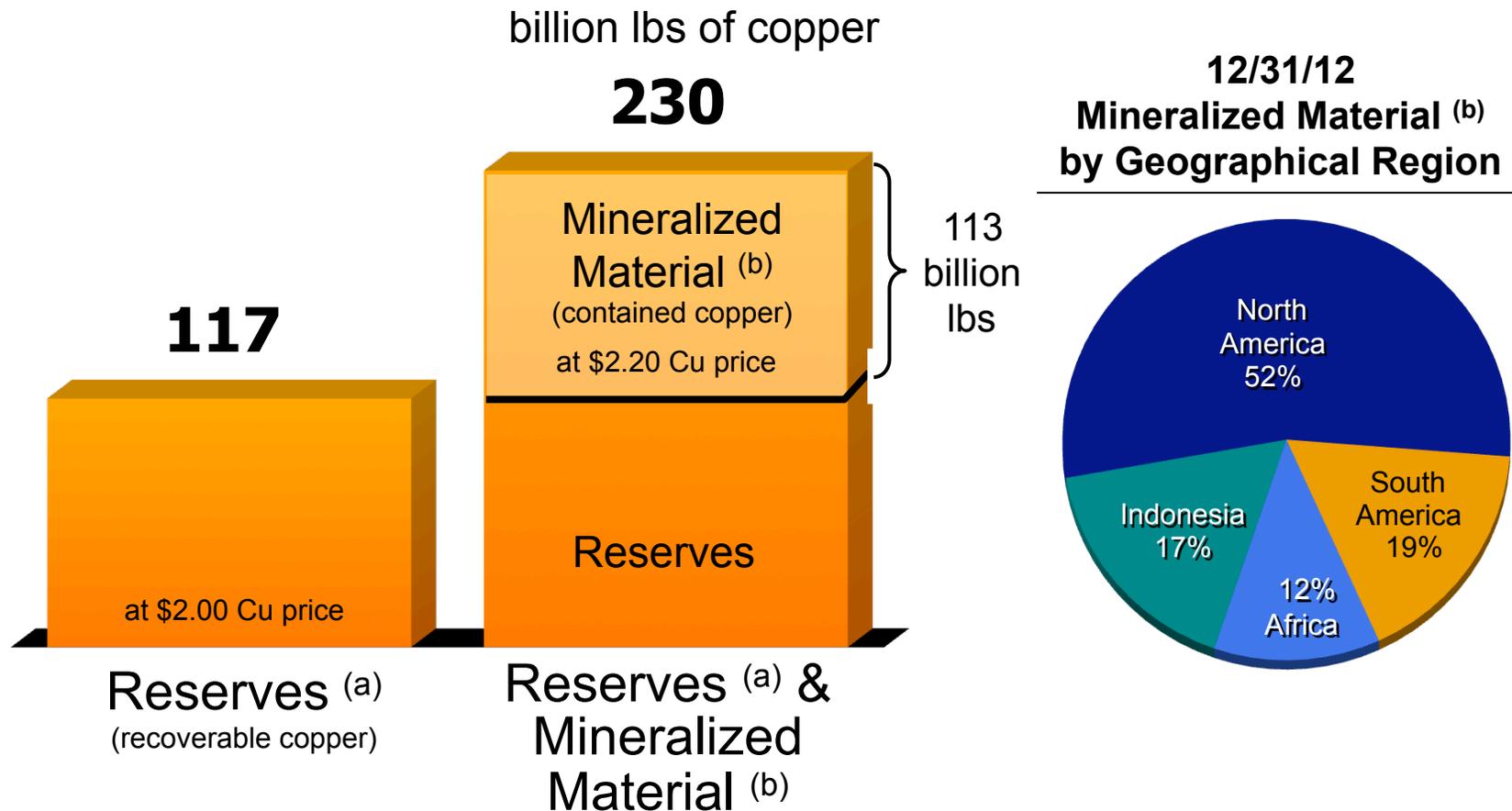


Source: Wood Mackenzie 1Q13. Rankings based on net equity ownership.
e=estimate

Freeport-McMoRan Copper & Gold

- World's largest producer of molybdenum and a significant gold, cobalt, oil and gas producer
- World Headquarters in Phoenix, Arizona – global workforce of approximately 35,000 employees
- Commitment to sustainable development/compliance
- Listed on the NYSE – Ranked 156th in the Fortune 500
- Investment grade credit rating

FCX Has Long-Lived Assets



(a) Preliminary estimate of recoverable proven and probable copper reserves using a long-term average copper price of \$2.00/lb; 93 billion pounds net to FCX's interest.

(b) Preliminary estimate of consolidated contained copper resources using a long-term copper price of \$2.20/lb. **Mineralized Material is not included in reserves and will not qualify as reserves until comprehensive engineering studies establish their economic feasibility. Accordingly, no assurance can be given that the estimated mineralized material will become proven and probable reserves. See Cautionary Statement.**

FCX US Mining Operations



Environmental Financial Disclosure

Asset Retirement Obligations (AROs) – \$769 million*

- **FASB ASC Subtopic 410-20 (formerly SFAS 143)** – Accounting standard regarding the accrual for regulatory-mandated asset retirement obligations (AROs)
 - Government-mandated closure and/or reclamation plans
 - Present-worth basis

- **FIN 47** – Accounting requirement to address regulatory-mandated/compliance obligations associated with the closure of a facility (incorporated into AROs guidance within FASB ASC Subtopic 410-20)

* As of 12/31/12; present value \$

Financial Reporting vs. Assurance

Financial Reporting/AROs

Primary *disclosure* for mine closure & reclamation

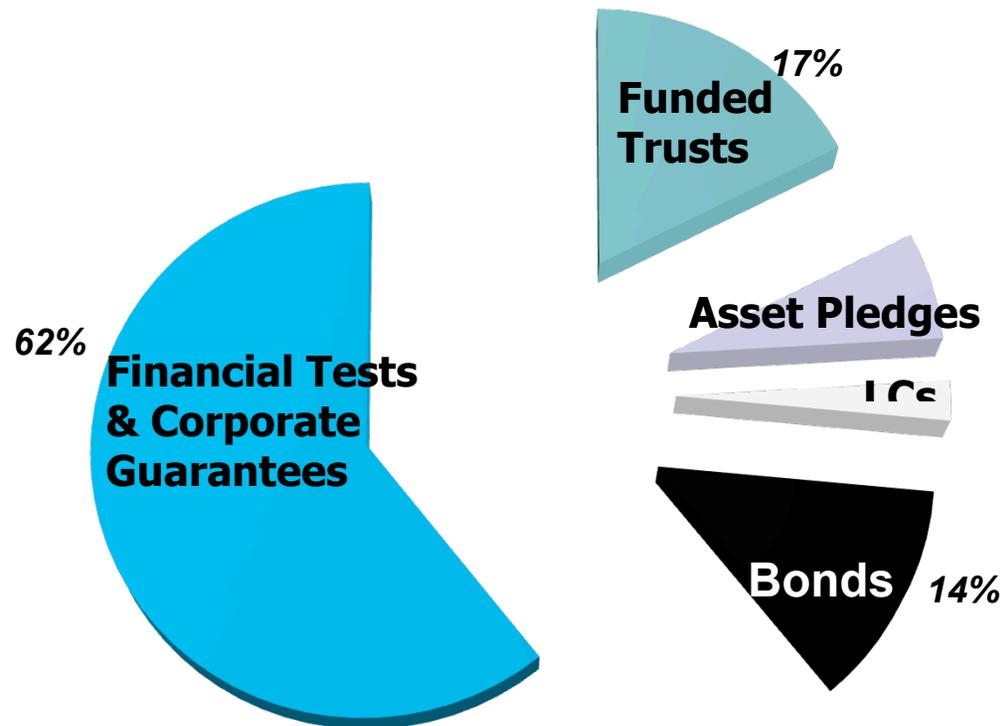
VERSUS

Financial Assurance

Mechanism for mine closure & reclamation
under default situation

FCX Financial Assurance

Financial Assurance*
\$970 million



Includes limited \$ amounts of F/A for remediation projects

* As of 12/31/12; present value \$

FCX Environmental Reserves

Environmental Reserves*

\$1.2 billion

- Comprehensive annual review of environmental obligations attributed to CERCLA or analogous state programs and for estimated future costs associated with environmental matters
- Typically associated with remediation or corrective action of off-site releases, but can also include onsite issues not addressed through AROs

* As of 12/31/12; present value \$

CERCLA § 108(b) Components

- State Preemption
- Scope/**Gaps**
 - Protection of groundwater, surface water
 - Closure
 - Post-closure: long-term water and cap management
 - Remediation
- Cost Estimate
 - **“One size fits all” vs. “site-specific”**
 - Frequency of review
- Form
 - **Financial test, corporate guarantee**
 - Insurance
 - LCs, bonds, CDs, trust

Western Governors' Position

- States have **deep experience** regulating mines
- Current state F/A programs are **working well**
- Opposition to **duplication or preemption**
- **Automatic standing** to authorized or approved state F/A programs in lieu of federal requirements
- If necessary, EPA should pursue **changes to CERCLA** to allow states to administer their own F/A programs

Western Governors' Association Policy Resolution 11-4

CERCLA § 108(b) Considerations

- Industry likes **certainty**; mining sector wants to be able to plan for 30-60+ years of future operations
- Maintain current flexibility regarding form of financial assurance, particularly for companies with strong balance sheets and liquidity, diverse asset bases and solid environmental performance records
- Financial assurance approaches should **balance** between need to **protect taxpayers** against CERCLA exposure while minimizing **burdens on private sector and job creation**

CERCLA § 108(b) Considerations

- Highly collateralized forms of financial assurance affect capital liquidity for future investments
- Concerns about financial viability can be addressed with **more regular financial submittals**
- Tangible net worth requirement of \$10 million may be out of date
- Concerns on cost estimate reliability requires **multiple responses**: scope, units, and unit costs need frequent reviews if material uncertainty exists

Improving Financial Assurance

- Scope (*EFAB review – posted 2011*)
 - Closure/post-closure
 - **Remediation, Corrective Action**
 - Boundaries (physical, regulatory)
- Cost Estimate (*EFAB review – posted 2010*)
 - **Reliability**
 - Frequency of review
- Form (*EFAB reviews/workshops – posted 2010, 2008, 2007, 2006*)
 - **Financial test, corporate guarantee**
 - **Insurance**
 - LCs
 - Bonds
 - Trust, CDs